

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Baton Rouge, Louisiana

FINANCIAL REPORT

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/28/10

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Greater Baton Rouge Economic Partnership, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of **THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.** (the Partnership) as of December 31, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Partnership's 2008 financial statements and, in our report dated March 25, 2009, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.** as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 11, 2010, on our consideration of the **THE GREATER BATON ROUGE ECONOMIC PARTNERSHIPS'** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Certified Public Accountants

Baton Rouge, Louisiana
May 11, 2010

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2009
(with comparative amounts for 2008)

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 53,175	\$ 105,780
Government contracts receivable	96,528	129,270
Due from related party	122,908	160,549
Prepaid expenses	<u>12,860</u>	<u>125,716</u>
Total assets	<u>\$ 285,471</u>	<u>\$ 521,315</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 25,794	\$ 56,208
Unearned revenue	<u>34,129</u>	<u>266,187</u>
Total liabilities	<u>59,923</u>	<u>322,395</u>
NET ASSETS		
Unrestricted	220,548	180,330
Temporarily restricted	<u>5,000</u>	<u>18,590</u>
Total net assets	<u>225,548</u>	<u>198,920</u>
Total liabilities and net assets	<u>\$ 285,471</u>	<u>\$ 521,315</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended December 31, 2009
(with comparative amounts for 2008)

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Unrestricted
REVENUES				
Contributions	\$ 1,298,926	\$ -	\$ 1,298,926	\$ 1,235,292
Events	371,853	-	371,853	86,893
Grants:		-		
Louisiana Economic Development	589,156	-	589,156	399,199
East Baton Rouge City / Parish	500,000	-	500,000	500,000
Interest and dividends	463	-	463	10,991
Total revenues	2,760,398	-	2,760,398	2,232,375
NET ASSETS RELEASED FROM RESTRICTIONS	13,590	(13,590)	-	-
Total revenues and reclassifications	2,773,988	(13,590)	2,760,398	2,232,375
EXPENSES				
Program services:				
Business development	1,968,136	-	1,968,136	1,735,179
Product development	374,684	-	374,684	247,839
Total program services	2,342,820	-	2,342,820	1,983,018
General and administrative:				
Professional services	102,870	-	102,870	31,790
Personnel	100,119	-	100,119	127,390
General office	94,821	-	94,821	40,846
Occupancy	85,249	-	85,249	49,331
Travel and hosting	7,624	-	7,624	-
Other	267	-	267	-
Total general and administrative	390,950	-	390,950	249,357
Total expenses	2,733,770	-	2,733,770	2,232,375
Change in net assets	40,218	(13,590)	26,628	-
NET ASSETS				
Beginning of year	180,330	18,590	198,920	198,920
End of year	\$ 220,548	\$ 5,000	\$ 225,548	\$ 198,920

The accompanying notes to financial statements
are an integral part of this statement.

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2009

(with comparative amounts for 2008)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 26,628	\$ -
Adjustments for non-cash items:		
Decrease in government contracts receivable	32,742	19,094
Decrease (increase) in due from/to related party	37,641	(107,766)
Decrease (increase) in prepaid expenses	112,856	(123,716)
Decrease in accounts payable and accrued expenses	(30,414)	(67,145)
(Decrease) increase in deferred revenue	<u>(232,058)</u>	<u>211,035</u>
Net used by operating activities	(52,605)	(68,498)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>105,780</u>	<u>174,278</u>
End of year	<u>\$ 53,175</u>	<u>\$ 105,780</u>

The accompanying notes to financial statements
are an integral part of this statement.

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Greater Baton Rouge Economic Partnership, Inc. (the Partnership) is an affiliate of the Baton Rouge Area Chamber and was incorporated on April 19, 1994 and was formed as a public non-profit organization under Internal Revenue Code Section 501(c)(3). According to its by-laws, the mission of the Partnership is to benefit and increase the quality of life of the general public in and around the Baton Rouge area by promoting and supporting activities and functions that attract business, educate the public, and create jobs that otherwise tend to increase economic growth and development in the region.

Basis of Presentation

The financial statements of the Partnership have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements. These financial statements include only activities and transactions of the Partnership.

The Partnership reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at December 31, 2009. The statement of activities presents expenses functionally, as program services and general and administrative.

The Partnership received contributions that were restricted for a specific purpose by the donor. These contributions were reported as an increase to temporarily restricted net assets, and upon satisfaction of the restriction, will be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Partnership's financial statements for 2008, from which the summarized information was derived.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and deferred revenue.

Cash and cash equivalents

For purposes of the statement of cash flows, the Partnership's cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. There are no cash equivalents as of December 31, 2009.

Contributions

Contributions are recognized when the donor makes a promise to give to the Partnership that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets.

There were no unconditional restricted pledges recorded by the Partnership during 2009.

Grant revenue recognition

Grants that represent exchange transactions are recorded as a receivable when the grant costs are incurred and reimbursable.

Grants that represent contributed support are recognized in the same manner as promises to give.

Income taxes

The Partnership is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and files a Form 990 tax return in the U.S. federal jurisdiction. The Partnership adopted provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. Management of the Partnership believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

NOTE 2 - RELATED PARTY TRANSACTIONS

As of December 31, 2009, the Baton Rouge Area Chamber (Chamber) owed the Partnership \$122,908 for contributions deposited in the Chamber's account.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Partnership typically maintains cash and cash equivalents and temporary investments in local banks that may, at times, exceed the FDIC limits. Management believes that this risk is limited.

NOTE 4 - SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 11, 2010, the date the financial statements were available to be issued.

Special Independent Auditors' Report

**THE GREATER BATON ROUGE
ECONOMIC PARTNERSHIP, INC.**

Baton Rouge, Louisiana

December 31, 2009



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and Management
The Greater Baton Rouge Economic Partnership, Inc.
Baton Rouge, Louisiana

Gentlemen:

We have audited the financial statements of the Greater Baton Rouge Economic Partnership, Inc. (the Partnership) as of and for the year ended December 31, 2009, and have issued our report thereon dated March 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Partnership's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified a deficiency in internal control over financial reporting that we considered to be a significant deficiency, as defined above and is reported as item 2009-1 and another deficiency in internal control over financial reporting that is reported as item 2009-2 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Partnership's management, the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana
May 11, 2010

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2009

A) SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of The Greater Baton Rouge Economic Partnership, Inc.
2. There are two internal control findings relating to the audit of the financial statements that are described in items 2009-1 and 2009-2.
3. There were no instances of noncompliance material to the financial statements in relation to this audit.

2009-1 Segregation of Duties

Observation: There is not sufficient segregation of duties to have effective internal control. The finding results from the small size of the organization. Specifically we have the following observations:

- All incoming mail is received by the receptionist and routed to the controller.
- Deposits are prepared and delivered to the bank by the controller.
- Check disbursements are prepared by the controller and then given to the VP of Marketing and the CEO for signature. Once the dual signatures are obtained the checks are then returned to the controller for mailing.

Recommendation: We recommend the Chamber consider implementing the following controls:

- A cash receipt log should be prepared by the receptionist prior to sending the deposit to the accounting department,
- Management should consider using a remote deposit system,
- Check disbursements should be forwarded to a party independent of the accounting process for mailing.

Management's Corrective Action Plan: Management will implement these recommendations. Additionally, subsequent to signature, check disbursements will be given to the receptionist to mail.

2009-2 Financial Statement Preparation

Observation: The organization relies on its auditors for the preparation of external financial statements and related disclosures. Under U.S. generally accepted auditing standards, we cannot be considered part of the organization's internal control structure. The design of the internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Recommendations: Since management is satisfied with using its auditing firm to prepare external financial statements, no change is recommended. However, this matter will continue to be reported.

Management's corrective action plan: Management intends to continue using the auditing firm to prepare the external financial statements and related footnote disclosures.

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

December 31, 2009

2008-1 Travel and Business Expense Reimbursements (resolved)

Observation: Upon review of certain travel and business expense reimbursements and the current supporting documentation during the 2008 audit, we had the following observations:

- Supporting documentation was not provided timely by certain cardholders to allow timely payment of amounts due,
- Business purpose of the expense was not clearly documented in certain cases,
- Personal charges were made, and reimbursements were made either by personal check or payroll deductions,
- Certain activity was occurring that was not addressed in the policy, particularly entertainment practices.

Upon meeting with the President, explanations were provided for charges in which the documentation was unclear and, upon notification in 2009, management reviewed the current policy in place and made certain revisions to address the deficiencies reported above. As a result, we consider this matter resolved.